THE FOURTH DAY.

26th February 1920.

The Assembly met at 12·10 P. M. on Thursday, the 26th February 1920.

25. Certain needs of the town of Alleppey in respect of trade.

Mr. M. Ousep Mathai (Member, Trading Classes, Alleppey) said that, in view of the proposed construction of the Cochin harbour, steps should be taken to see that the Alleppey port did not suffer in any way and that the subject of his representation was chosen with the object of placing certain requirements of the trading classes before Government. The first representation was that the Commercial Canal on which Government had spent a large sum of money recently in connection with repair was shallow on account of the large accumulation of silt and dirt. That rendered the passage of big canoes difficult. If the canal should be of real use, it should be deepened and made navigable for big canoes which were the main conveyances for the transport of traffic. Secondly, there were at Chungam two bridges connecting the eastern and western banks of the canal. In view of the fact that Chungam is a busy centre of trade and commerce, there should be another bridge connecting the southern and northern banks. Thirdly, the bulk of the traders and merchants were being put to great hardship in the matter of transport of goods. On account of the landing of large quantities of civil supplies from ships when they anchored which sometimes took weeks, the merchants were not being allowed to land their goods from steamers or transport them to ships. So far as European merchants were concerned, they had godowns specially constructed for them. The native merchants, having no such facilities, were being put to heavy loss and inconvenience. The Member, therefore, requested that the necessary facilities might be given to native merchants to enable them to keep their goods when delays occurred in taking them to the steamer. Lastly, the Member submitted that the floating of timber in the Commercial Canal had become a great source of trouble and obstruction to the heavy boat traffic and requested that orders might be issued for the transport of timber being confined to the Vadai canal where there was not congestion of traffic.

Dewan's reply.—In regard to another bridge at Chungam to connect the northern and southern banks of the canal, an estimate has been sanctioned. The godowns now used for storing rice by the Civil Supplies Department will soon become available for traders. The question of constructing more godowns and that of confining the transport of timber through the Vadai canal will be carefully considered.

26. Imposition of export duty on timber, rubber, etc.

Mr. C. P. Kochukunju Pillai (Member, Kottarakara taluk) said that the finances of the State not being in a flourishing condition, several requests of the people had to be refused. The only alternative was to find new sources, namely, imposition of export duty on timber, rubber, tiles and monozite sand. Export duty was imposed for a double purpose, *viz.*, (1) to have a share in the profits of a commodity to the country of production and (2) to ensure a part of the commodity for the use of the people of the country. Certain articles were being grown or made in Travancore and the foreign buyer had no alternative but to get them from Travancore. Timber was the first article in the list. There was export duty till 1087 on 16 kinds of timber exported from the State. It was abolished for 5 years from 1st Kumbhom 1087 and after the expiry of that period the abolition was continued for another year. Afterwards it was extended for a further period of 5 years from the 1st Kumbhom 1093. The Member gave figures about the quantity and value of timber exported and the amount of export duty realised for the past 13 years, from 1082 to 1094, and

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observed that, during the last 6 years, timber worth about Rs. 61 lakhs had been exported and that the loss to Government in the shape of duty amounted to about Rs. 6 lakhs. The abolition of export duty had tended to deplete the forests of timber and difficulties were being experienced for getting timber for house-building purposes. Further, no steps were being taken to replace trees felled, and the coupe sales were still going on. Firewood had become scarce and the price had gone to prohibitive sums. The re-imposition of duty on fuel from Vrischigom last would, no doubt, postpone the day of scarcity. Still the replacing of trees felled had to be persisted in in the interests of the State and of the people. The indiscriminate removal of trees affected the rainfall also. Such being the evils arising directly from the free export of timber, it was highly necessary that an export duty should be levied immediately. There was no ground for the fear that, if the export duty be re-imposed, timber would accumulate in the depots and remain unsold, because it was an indispensable article which everyone in the country wanted for diverse purposes. Financially, the State was a loser, for a legitimate source of income was not being tapped. Under the Interportal Trade Convention timber was the only article on which a 10% duty could be levied, all other articles being subject only to 5% duty. The very fact that 20 years ago the British Government agreed to such a high rate of duty being charged on timber showed how the article was valued. Again, the present awakening in the political and commercial world ought to be taken seriously in demanding exceptional treatment in regard to customs revenue. It was only recently that the Government of India ordered the levy of export duty on hides and skins at the rate of 15%. Turning to rubber, the Member submitted that the progress in rubber cultivation was marvellous and that during the past 11 years rubber worth several lakhs of rupees had been exported, the actual quantity having increased from Rs. 16,140 in 1084 to Rs. 78,28,853 in 1094. With regard to the development of rubber it had to be noted that the industry had been well encouraged by Government and that it had passed the infant stage when levy of duty would perhaps blot it out of existence. It had been showing a steady advance and was bound to show still larger returns in the course of about half a dozen years more. According to the Member's estimate of 5% duty, an annual income of about Rs. 3½ lakhs could be assured to the State. The tile industry too was a flourishing one and had gone beyond the stage of infancy or experiment and it was high time that some tax was imposed. The expansion of the tile trade was considerable and the increase in output was so marvellous as to keep it in *statu quo* in spite of a rise of 10% in price. The imposition of export duty on tiles would augment the State revenue to the extent of Rs. 13,521 per year. Lastly, there was monozite sand. Though there was a royalty on it, it should not be considered hard, if an export duty was also levied. Travancore was the only other country in the world where monozite sand was available in large quantities. The Member then gave figures in regard to the export of the mineral from 1085 to 1093. A 5% duty would secure about Rs. 20,000 annually to the State.

Dewan's reply.—In the levy of export duty on fuel recently ordered by Government, partial effect has been given to the representation of the Member. The other points will be considered.

27. Development of trade in South Travancore and what Government should do for the same.

Mr. Ramasuppu Sivathanu Chettiar (Member, Trading Classes, Kottar) observed that the whole quantity of tobacco required for consumption in Travancore was imported from outside, although there were many places within the State fit for tobacco cultivation. He objected to the rule prohibiting, except under license, the wholesale or retail vending of tobacco in the taluks of Thovala and Agastiswaram. The income already derived from duty on imported tobacco amounted to something like three lakhs of rupees, which was bound to increase in course of time. There was thus no necessity for increasing the income from tobacco by the levy of a license fee. Besides, the system was a source of great inconvenience and hardship to the merchants in those two taluks. The merchants dealing in tobacco were asked to keep separate accounts in respect of their transactions regarding the purchase and

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